the fresh fund allotment by banks and FI to corporate defaulters?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) and (b) Government's attention has been drawn to the news-item. As reported by Reserve Bank of India (RBI), out of Rs. 41,660.94 crores NPAs as on 31.3.96 an amount of Rs. 9206.90 crores has been recovered by upgradation, compromise, witeoff and recovery. Due to addition of fresh NPAs during 1996-97 to the extent of Rs. 11,123.05 crores, the NPA figures have gone up to Rs. 43577.09 crores as on 31.3.97. Out of this, the sectorwise position of NPAs as on 31.3.97 is as under:—

	PUSs	Priority Sector	Non -Priority Sector	Total
Amount (Rs. in crores) %	1461	28774	21341	43577
to total	3.36	47.67	48.97	100

(c) and (d) RBI has a scheme whereby they 'collect' information and dissseminate to the banks and financial institution the details of borrowers with advances aggregating Rs. 1 crore and above which have been classified as doubtful or loss assets. This information is given to the banks and financial institutions for their confidential use. Furthermore, RBI also published list of defaulters (with outstanding aggregating Rs. 1 crorc and above) against whom suits have been filed. This list is compiled as on 31st March every year. The objective of circulation of the defaulters list/publication of suit filed accounts is to alert banks and financial institutions and put them on guard against borrowers who have defaulted in their dues to other lending institutions. RBI advises the banks and financial institutions to make use of this information' about the defaulters while considering, on merits, the requests for new of additional credit limits by defaulting borrowing units and also by proprietors/partners/directors named in the list either in their own name or in the name of other units with which they are associated. However, it has been left to the discretion of the banks and financial instititions to take decisions on their commercial judgement.

Insurance cover for foreign Investment in Kashmir

710. SHRI K.R. MALKANI: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the P.M. offered insurance cover of foreign investment flowing into the Kashmir valley (vide The Times of India, 20th October, 1997);

(b) whether such insurance will also be extended to Indian investment in Kashmir; and

(c) whether Government would, consider extending such insurance to investments in the country, since terrorists could strike any indutry anywhere in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) The General Insurance Corporation of India has reported that the insurance industry offers terrorist cover all over the country including Jammu & Kashmir both for Indian and foreign investments on payment of extra premium on the standard fire insurance cover.